

## FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE <b>CHICAGO</b>	OFFICE OF ORIGIN <b>CHICAGO</b>	DATE <b>12/18/63</b>	INVESTIGATIVE PERIOD <b>10/15/63 - 12/10/63</b>
TITLE OF CASE  <b>LOUIS ARGER, aka</b>		REPORT MADE BY <div style="border: 1px solid black; width: 150px; height: 20px;"></div>	TYPED BY <b>JMB</b>
		CHARACTER OF CASE  <b>AR</b>	

REFERENCES: Report of SA  dated 10/25/63 at Chicago.  
Springfield letter to Chicago dated 11/13/63.

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ENCLOSURES

TO BUREAU

Two (2) copies of a letterhead memorandum which sets forth the characterization of informants utilized in this report.

LEADCHICAGO

AT CHICAGO, ILLINOIS. Will continue to conduct and report investigation concerning the activities and associates of the subject.

APPROVED

SPECIAL AGENT  
IN CHARGE

COPIES MADE:

- ③ - Bureau (92-5794) ~~(Encl. 2)~~  
1 - USA, Chicago  
2 - Chicago (92-1039)

DO NOT WRITE IN SPACES BELOW

<b>92-5794-15</b>	<b>REC-41</b>
<b>DEC 23 1963</b>	
NOTATIONS	

## DISSEMINATION RECORD OF ATTACHED REPORT

AGENCY	<b>1cc</b>	<b>Dept</b>	<b>1-2-64</b>
REQUEST RECD.	<b>1cc</b>	<b>D&amp;D</b>	
DATE FWD.			
HOW FWD.			
BY			

64 JAN 3 1964

CG 92-1039

INFORMANTS

Referral/Consult

EOUSA

[REDACTED]

CG T-2 is [REDACTED] Investigator, Immigration and Naturalization Service, Chicago, contacted by SA [REDACTED] on December 4, 1963.

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CG T-3 is PCI [REDACTED] contacted by SA THOMAS W. PARRISH on November 1, 1963.

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CG T-4 is [REDACTED]

[REDACTED] contacted by SAs [REDACTED] on November 21, 1963, (upon request).

CG T-5 is [REDACTED]

[REDACTED] contacted by SAs [REDACTED] on November 25, 1963.

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CG T-6 is PCI [REDACTED] contacted by SAs [REDACTED] and [REDACTED] on December 9 and 10, 1963.

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CG T-7 is CG 6576-C\*.

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COVER PAGE

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Chicago

Report of: SA [REDACTED]  
Date: 12/18/63Office: Chicago, Illinois b6  
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Field Office File No.: 92-1039

Bureau File No.: 92-5794

Title: LOUIS ARGER

Character: ANTI-RACKETEERING

## Synopsis:

ARGER still resides at 6128 North Keating Avenue, Chicago, Illinois. ARGER's citizenship status under question by INS since he is reported to have concealed an arrest when applying for naturalization in 1939. Star and Garter Show Lounge allegedly owned by ARGER was raided by Chicago Police authorities on 11/12/63 on charge of solicitation by one of the female employees. ARGER is reported to have made about \$22,500 in 1962 from the operation of his Paradise Arcade, Chicago. Holding of films and projectors seized by police authorities in raid from arcade operators until disposition of these cases in court is reported to be a heavy financial loss to ARGER and other operators in the curtailed operation of their arcades.

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DETAILS:

I. BACKGROUND

Residence

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On December 9, 1963, a surveillance was conducted by SAs [redacted] and [redacted] at 6128 North Keating Avenue, Chicago, Illinois, at which time it was determined by the Agents that ARGER and his family still reside at that address.

Citizenship Status

CG T-2 advised that he had received information at the Immigration and Naturalization Service (INS) that they are currently investigating the citizenship status of subject since it was determined by INS that ARGER concealed an arrest on a robbery charge by the Chicago Police Department, Chicago, on June 22, 1928, when making application for citizenship on June 8, 1939. CG T-2 stated that it was his understanding that the subject was given twelve months probation when he pleaded guilty to the charge of robbery in 1928. CG T-2 stated that if the above can be proved or admitted by ARGER, the concealment of the arrest would be a definite basis for revocation of his citizenship.

II. ASSOCIATES

[redacted] III.

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CG T-7 advised in the middle of November, 1963, that [redacted] of one of the penny arcades on South State Street, Chicago, was a very close friend of the subject. CG T-7 stated that ARGER himself is the owner of the Paradise Arcade and as such has business dealings with [redacted]

[redacted]

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CG T-7 advised that he had received information that the subject is a very close friend of [redacted] who [redacted] the Crossroads Restaurant on Van Buren.

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Euren and State Street, Chicago. CG T-7 stated that ARGER is in contact with [ ] at the Crossroads Restaurant on an almost daily basis and usually uses the premises of the Crossroads Restaurant to make any necessary telephone calls.

### III. ACTIVITIES

Captain [ ] Commander, 1st District, Chicago Police Department, Chicago, advised SAs [ ] and [ ] on November 19, 1963, that two of his officers from the 1st District conducted a raid on the Star and Garter Show Lounge on South State Street on the night of November 12-13, 1963. [ ] advised that the officers were solicited for prostitution in the club by one of the female entertainers. In addition to the one entertainer being placed under arrest six others were also arrested for being inmates of a disorderly house.

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[ ] Detective, Area 1, Robbery Chicago Police Department, advised SAs [ ] and [ ] on October 30, 1963, that there is no question in his mind that LOUIS ARGER is the actual owner of the Star and Garter Show Lounge as well as the Holiday Show Lounge and merely has other people fronting for him in the operation of these strip joints. [ ] stated that in his opinion ARGER is controlled by SAM GIANCANA and that a portion of the profits of ARGER's two strip lounges are turned over to GIANCANA's lieutenants namely GUS ALEX and FRANK FERARRO. [ ] stated that in his opinion other "outfit strip joints" are the Cabana Club, Chez Dot, The 606 Club, Eddie Foy's, Crossroads Restaurant and the Show Boat Lounge. He stated that there is no question that in order to operate any of these strip joints the owner has to have both political and police protection. It is his understanding that most of the strip joints are again running wide open with only occasional raids by the police authorities. [ ]

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stated that it was his opinion that JOHN D'ARCO, former 1st Ward Alderman, is the "political clout" for ARGER and other strip joint operators.

Regarding the daily habits of ARGER, [redacted] stated that ARGER usually arrives in the loop area about 3:30 p.m. and stops at the Paradise Arcade and the Crossroads Restaurant and stays around this area until about 6:00 p.m. when he returns to his residence at 6128 North Keating where he remains until about midnight. ARGER then returns to the strip joint operations on South State Street where he stays for a few hours before returning home for the evening. [redacted] stated that in the past conversations with ARGER, ARGER has mentioned to him that the "G's" are all over South State Street watching the operations of strip joints. [redacted] also stated that ARGER becomes incensed when he reads in the news-papers that he, ARGER, is a cousin of GUS ALEX. ARGER denies that he is any relative of ALEX.

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CG T-3 advised that he had received information that ARGER was extremely upset over the recent raids by the State Attorney's Office on the penny arcades on South State Street. ARGER's Paradise Arcade was the subject of part of this raid at which time numerous rolls of parisian movies and projectors to show these movies were confiscated by the State Attorney's Police. Both the movies and the projectors are being retained by the State Attorney's Police until disposition against the arcade owners. CG T-3 advised that ARGER was recently upset when a photograph of himself appeared in the "Chicago Tribune." CG T-3 also advised that he was of the opinion that the strippers that work in ARGER's strip joints were afraid to make any complaints to the American Guild of Variety Artists, union which most of the female entertainers in Chicago are members, for fear repercussions from ARGER if this information got back to him.

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CG T-3 advised that he had received information that among some of the [redacted] who were

[redacted]  
are [redacted] It was determined that [redacted] legal name [redacted] formerly resided at [redacted] and inquiry at that address disclosed that she had moved back to [redacted] about the first of October, 1963, and was not planning to return to the Chicago area.

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[redacted]  
advised SA [redacted] on November 14, 1963, that she has been [redacted] for the past several years ever since she came to this [redacted] She stated that she is not presently [redacted] and that her legal name is [redacted] When questioned as to the details of her employment at the [redacted] she refused to comment on any aspect of her work or her personal life or her associates and referred the interviewing Agents to her attorney [redacted] It is to be noted that [redacted] has defended numerous Chicago hoodlums in the past.

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[redacted]  
[redacted] legal name [redacted] home telephone number [redacted] was contacted at her residence on November 15, 1963, by SAs [redacted] at which time she refused to discuss any matters with the interviewing Agents.

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CG T-4 advised that she was a [redacted]

[redacted]  
[redacted] she was told to advise anyone who inquired [redacted] CG T-4 stated that, however,

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she had heard that LOUIS ARGER was the actual owner of the Holiday Show Lounge and [redacted] of ARGER, was a [redacted] at the Holiday Show Lounge. CG T-4 stated that all of the girls employed at the Holiday are encouraged to use the back booths when soliciting drinks from customers and to "mix rough" when told to do so. CG T-4 stated that [redacted] is considered the "roughest mixer" at the Holiday and as such she makes about \$200 per night or approximately \$1000 per week.

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CG T-5 advised that she was employed as [redacted] with [redacted] but had an argument [redacted] as a result quit her employment there. CG T-5 stated that [redacted] is also a [redacted] at the Holiday Show Lounge but that she had heard that LOUIS ARGER was the actual owner of the Holiday Show Lounge. CG T-5 stated that [redacted] and makes the most money on commission from soliciting drinks from the customers at the lounge.

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CG T-6 advised that she received information that the Holiday Show Lounge will close on the 15th of December for about two weeks until after Christmas. CG T-6 advised that it is customary that during the Christmas season many of the strip joints are compelled to close down for a two week period in observance of the Christmas season. CG T-6 stated that most of the girls from Holiday Show Lounge work at the Star and Garter Lounge while the Holiday is closed down.

CG T-7 advised that he had received information that LOUIS ARGER and other strip joint operators have police protection in the operation of their strip joints. CG T-7 stated that only occasional token raids are made and that generally the clubs are operating on a wide open basis without police interference.



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A check of the records of the Auto Registration Section and the Driver's License Section, Secretary of State Office, Springfield, Illinois, by IC JOSEPH D. HAMMITT, on November 7, 1963, failed to disclose any auto registration or driver's license issued to [REDACTED]

[REDACTED] GEORGE ARGER, [REDACTED]  
It is to be noted that the above named persons including their aliases are persons who are employed at ARGER's Star and Garter and Holiday Show Lounge.

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CG T-7 advised that he had received information that PAT MARCY had been attempting to secure a rapid disposition of the arcade cases still pending in court so that the owners of these arcades can get their films and projectors back.

CG T-7 advised that LOUIS ARGER and [REDACTED] arcade operators, are suffering heavy financial losses, as a result of their parisian movie and projectors being tied up in the pending court action against them. CG T-7 stated that the movies shown in the arcades are the prime source of revenue and that if there are no films available at the arcades the cliental spends very little time on the premises.

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LOUIS ARGER was interviewed at State and Congress Streets, on November 25, 1963, by SAs COOK and WILLIAM R. BRODERICK in connection with any knowledge he may have regarding JACK RUBY, strip operator in Dallas, Texas, and assassin of LEE HARVEY OSWALD. ARGER claimed that he did not know RUBY or anything about his activities or associations while residing in Chicago or since RUBY has moved to Dallas, Texas. ARGER refused to comment on anything regarding his activities in the operation of any strip joints on South State Street, Chicago, or anything else concerning his activities.

CG 92-1039

Referral/Consult EOUSA

